MIC

The Myanmar Investment Commission

Union of Myanmar Form (2) Sr. No. 1431 Dated 28-11-97 Myanmar Investment Commission

PERMIT

Permit No. 291 /97 *Date* 28th NOVEMBER 1997

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. LEE CHEE FATT

(b) Citizenship MALAYSIAN

(c) Address BLK 122, JURONG EAST ST 13, # 11-37 SINGAPORE 600122

(d) Name and address of principal organization NATIONAL INDUSTRIAL GASES PTE LTD, 1, SHIPYARD ROAD, SINGAPORE 628128

(e) Place of incorporation SINGAPORE

(f) Type of business in which investment is to be made MANUFACTURING OF INDUSTRIAL GASES

(g) Place (s) at which investment is permitted PLOT NO. B-62, THANLYIN - KYAUKTAN INDUSTRIAL ZONE

(h) Amount of foreign capital US$ 0.913 MILLION

(i) Period for bringing in foreign capital WITHIN 12 MONTHS AFTER SIGNING OF THE CONTRACT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 0.913 MILLION

(k) Permitted duration of investment 50 YEARS

(l) Name of the economic organization to be formed in Myanmar MYANMAR NATIONAL OXYGEN LIMITED

Chairman

The Myanmar Investment Commission

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၂၉၀/၉၄ ၁၉၉၄ခုနှစ်၊ နိုဝင်ဘာ လ ၂၈ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. LEE CHEE FATT

(ခ) မည်သည့်နိုင်ငံသား MALAYSIAN

(ဂ) နေရပ်လိပ်စာ BLK 122, JURONG EAST ST 13, # 11-37
SINGAPORE 600122

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ NATIONAL INDUSTRIAL GASES PTE LTD, 1, SHIPYARD ROAD, SINGAPORE 628128

(င) ဖွဲ့စည်းရာအရပ်
SINGAPORE

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား အောက်ဆီဂျင်ဓါတ်ငွေ့များ ထုတ်လုပ်ရောင်းချခြင်းလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၁ ဘီ - ၆၂၊ သန်လျင် - ကျောက်တန်း စက်မှုဇုန်

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၀.၉၁၃ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ စာချုပ်လက်မှတ်ရေးထိုးပြီး (၁၂) လအတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၀.၉၁၃ သန်းနှင့်ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၃၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည်
MYANMAR NATIONAL OXYGEN LIMITED

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/425/97(1431)
Dated 28th November 1997

Tel : 272219, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Industrial Gases" under the name of "Myanmar National Oxygen Limited".

Reference: Ministry of Construction Letter No. 27/Khwe-3/97 (C 2571) dated 13-10-97.

1. The Myanmar Investment Commission, at its meeting 16/97 held on 17-10-97 had reviewed the proposal for investment in "Manufacturing of Industrial Gases" under the name of "Myanmar National Oxygen Limited" submitted by National Industrial Gases Pte. Ltd. of Singapore as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 39/97 held on 20-11-97 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 50(Fifty) years.

4. Myanmar National Oxygen Limited shall provide Land Premium to the amount of US $ 205,000 (United States Dollars Two Hundred and Five Thousand Only) in favour of Thanlyin-Kyauktan Development Co., Ltd.

5. Annual ground rent in respect of the land is payable to the Department of Human Settlement and Housing Development which will be collected by the Thanlyin-Kyauktan Development Co., Ltd. on behalf of Department of Human Settlement and Housing Development at the rate of US $ 0.90 (United States Dollars Zero Point Nine) per square metre per annum and the increase of the rent shall not be more than 15 (Fifteen) percent of the foregoing rate.

6. Myanmar National Oxygen Limited shall pay an annual management fee calculated at US $ 0.50 (United States Dollars Zero Point Five) per square metre per annum and shall also pay annual rental fee to the amount of US $ 0.90 (United States Dollars Zero Point Nine) per square metre per

annum to the State. The annual management fee shall be reviewed every 5(Five) years and the increase of the management fee shall not be more than 5(Five) percent of the preceding annual fee.

7. Myanmar National Oxygen Limited shall pay occupancy fee to the amount of US $ 0.50 (United States Dollars Zero Point Five Only) per square metre of the area of the land to Thanlyin-Kyauktan Development Co., Ltd. as advance part payment of the Land Premium.

8. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(a), exemption from income-tax up to three consecutive years from the year of commencement of commercial operation.

(b) As per Section-21(b), regarding exemption from income-tax on profits of the business if they are maintained in a reserve fund and re-invested therein within one year after the reserve is made, Myanmar National Oxygen Limited shall apply for such exemption only after 3-year tax holiday period.

(c) As per Section-21(c), Myanmar National Oxygen Limited shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Myanmar National Oxygen Limited shall have to apply to the Commission such rates of depreciation.

(d) As per Section-21(e), Myanmar National Oxygen Limited shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(e) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(f) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Myanmar National Oxygen Limited shall apply, upon actual performance of such research and development programme, only after 3-year tax holiday period.

(g) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained following the enjoyment of exemption from income-tax, Myanmar National Oxygen Limited shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(h) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction.

(i) As per Section-21(j), exemption from customs duty and all other internal taxes on such raw materials and additional import of machinery, equipment and spare parts which are actually required for operation of the business shall be granted within three years of commercial operation following the period of construction.

9. Myanmar National Oxygen Limited, shall have to sign Sub-Lease Agreement with Thanlyin-Kyauktan Development Co., Ltd. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

10. Myanmar National Oxygen Limited, in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

11. Myanmar National Oxygen Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

12. The official date of operation shall be reported to the Commission.

13. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Myanmar National Oxygen Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

14. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

15. Whenever Myanmar National Oxygen Limited brings in foreign capital defined under Section 2(h) of the said Law, other than foreign currency in the manner stated in paragraph 14(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

16. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

17. Myanmar National Oxygen Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

18. Myanmar National Oxygen Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

19. Myanmar National Oxygen Limited shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/408/94 (0424) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and inter-industry use goods brought in as capital investment and raw materials required during the initial 3-year operation period.

20. Payment of principal and interest of the loan (if any) shall only be made out of the official foreign exchange earnings of Myanmar National Oxygen Limited.

21. Myanmar National Oxygen Limited, in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

By Order,

Brig-Gen Maung Maung
Secretary

Mr. Lee Chee Fatt
National Industrial Gases Pte. Ltd.
c/o Director General
Department of Human Settlement and Housing Development

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Construction
8. Ministry of Foreign Affairs

9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
13. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
14. Director General, Directorate of Investment and Company Administration
15. Director General, Customs Department
16. Director General, Internal Revenue Department
17. Managing Director, Myanma Foreign Trade Bank
18. Managing Director, Myanma Investment and Commercial Bank
19. Managing Director, Myanma Insurance
20. Director General, Directorate of Trade
21. Director General, Immigration and Manpower Department
22. Director General, Directorate of Labour
23. Chairman, Union of Myanmar Chamber of Commerce and Industry